March 21, 2012

Electronic Submission

Ms. Marlene Dortch
Secretary
Federal Communications Commission
The Portals
445 12th Street SW
Washington DC 20554

Re: *Connect America Fund, WC Docket 10-90*

On Tuesday, March 20, 2012, Jeff Gardner, Mike Rhoda and Eric Einhorn (Windstream) and Walter McCormick and I (USTelecom) met with Chairman Genachowski and Zac Katz and Michael Steffan (Office of Chairman Genachowski) and Sharon Gillett (Wireline Competition Bureau). We discussed two important issues to ensuring that the Commission's *USF Transformation Order* is implemented in a way that will achieve the Commission's broadband deployment and intercarrier compensation reform goals, including the intercarrier reform goals of providing reasonable transitions where reductions in access charges are mandated and the opportunity to recover mandated revenue reductions. In particular, we discussed the Order's treatment of VoIP-TDM traffic and originating access charges. Originating access charges play an important role in the financial fundamentals of local carriers with carrier-of-last resort and other regulatory obligations.

We also discussed CAF Phase I incremental funding and how best to insure that the maximum funding is invested this year in broadband infrastructure that will serve the nation's rural residential and small business customers effectively. We urged the Commission to avoid having the $775 per household threshold become a straightjacket on the ability of the Commission and companies to achieve the Commission's goals of increased investment in rural broadband infrastructure, to the benefit of rural customers and our economy.

Pursuant to section 1.1206 of the Commission's Rules, this letter is being filed electronically with your office for inclusion in the public record of the above referenced proceeding.

Please do not hesitate to contact me at (202) 326-7272 or at jbanks@ustelecom.org if you have any questions.

Sincerely,

/s/

Jon Banks
Senior Vice President
Law and Policy
USTelecom Association